



CITY OF GERMANTOWN TENNESSEE

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Fiscal Year 2012 Strategic Plan First Quarter Update

Board of Mayor and Aldermen
City of Germantown, Tennessee

Attached to this memorandum is the first quarter report on the FY12 strategic plan.

In October 2005 the Board of Mayor and Aldermen adopted "Germantown Vision 2020" our community's long-range strategic plan. Vision 2020 is about influencing the future rather than simply preparing or adapting to it. The focus is on aligning our organizations resources to bridge the gap between present conditions and our envisioned future to build a sustainable Germantown based on the concept of the "triple bottom line" – economic, environmental and social sustainability.

Since the adoption of the Vision 2020 plan the Board of Mayor and Aldermen and the administration has conducted an annual retreat in January to test validity and relevance of this planning document, review our progress towards key indicators and outcomes, and refocus goals and objectives. The strategic plan update that emerged from this effort for fiscal year 2012 is available at City Hall and on the City's website.

The five plans set forth in Vision 2020 provide focus areas and are divided among the three triple bottom line categories. Vision 2020's City Services and Finances focus area helps support the economic sustainability of the City. Environmental sustainability is supported by the Environmental Quality focus area. Social sustainability is supported by the Quality of Life, Community Vitality and Public Safety focus areas.

A system has been put in place to guide the City's progress toward making the Vision 2020 plans a reality. Goals are designated for each focus area. Policy agendas help to ensure that goals are met. Performance measures, tracked quarterly, indicate progress toward the policy agenda. Performance measures are combined to produce results and reported quarterly as key indicators to the public to ensure transparency and commitment to Vision 2020.

The first quarter report highlights our progress and success in achieving our key indicators based on the efforts of the focus area cabinets. By measuring and reporting our progress towards these key indicators we have a clear picture of our efforts to build a sustainable future based on the triple bottom line and address any variances in a proactive and timely manner.

The attached report and all supporting documents are available online at germantown-tn.gov/strategicplan.

If you have any questions regarding this first quarter report please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Lawton".

Patrick J. Lawton
City Administrator

ECONOMIC SUSTAINABILITY

The City of Germantown has significant physical assets including streets, utility system for water and sewer, drainage system, City Hall and adjacent buildings, fire stations, Germantown Athletic Club, Community Library, parks, streetscapes, medians and others. This City infrastructure is aging which means increased maintenance levels and costs. In addition, the city has future infrastructure needs such as additional fire stations and upgrade and expansion of parks. The quality of the City infrastructure impacts the city's quality of life, community vitality and community safety. The City must have long-term sustainable revenues to support defined services and service levels. Balancing current needs with future obligations, the city performs a wide variety of services in order to sustain consistent performance.

KEY INDICATORS

Citizen Satisfaction – This indicator displays the results from the question asked in the community wide survey regarding service value. Residents rated the value of the City services they receive compared to the amount of tax dollars that they paid. A comparison was also made with other comparable AAA bond rated cities by Moody's and Standard & Poor's when asking the same question of their residents. Germantown had consistently higher tax dollar value ratings than six similar communities in all four survey years.

Figure 1

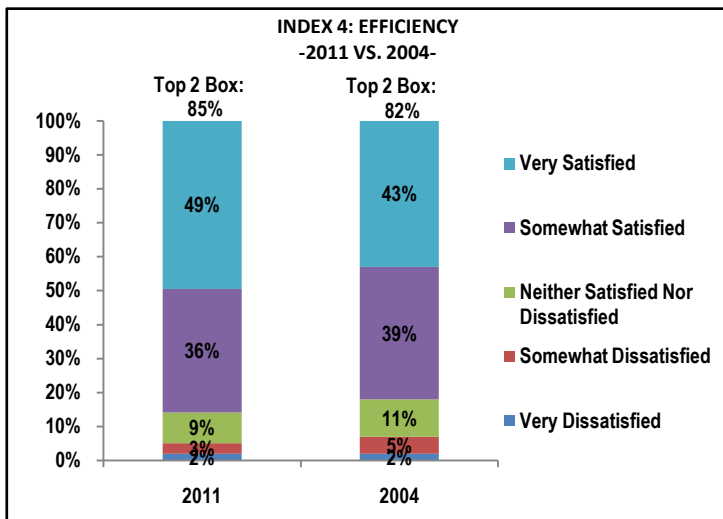
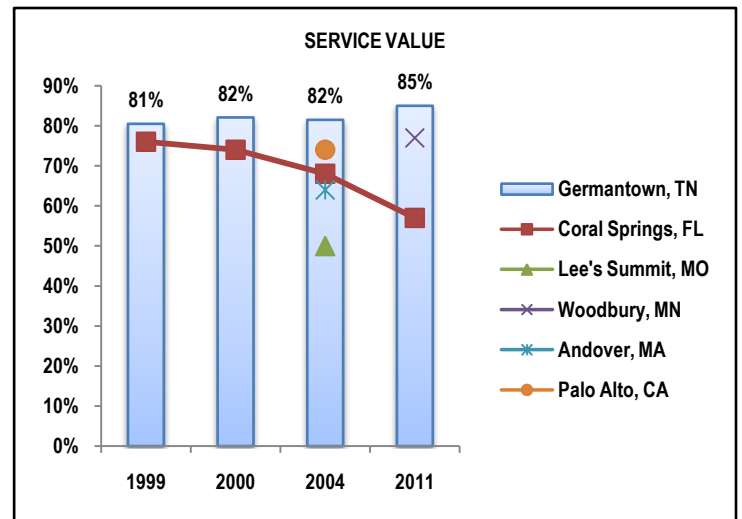


Figure 2



Fiscal Health – Standard & Poor's deems Germantown's financial management practices "strong" under its Financial Management Assessment methodology, indicating our view that practices are strong, well embedded, and likely sustainable. Highlights of the City's strong financial practices include its adoption of a strategic plan that addresses the City's long-term financial sustainability. Five-year financial forecasts are included in the annual operating budget. Officials annually adopt a comprehensive six-year capital improvement program (CIP) along with their adoption of the operating budget, which identifies all capital project funding sources. The CIP is linked to the City's operating budget and five-year financial plan. Revenue and expenditure assumptions are conservative and based on historical trend analysis. Management provides monthly budget status reports to the Board of Mayor and Aldermen and makes budget amendments, as it deems necessary, during the fiscal year. The City has a formal investment policy and management provides quarterly investment performance reports to the Board. General fund reserves have historically exceeded the city-council-adopted minimum general fund balance policy.

ENVIRONMENTAL SUSTAINABILITY

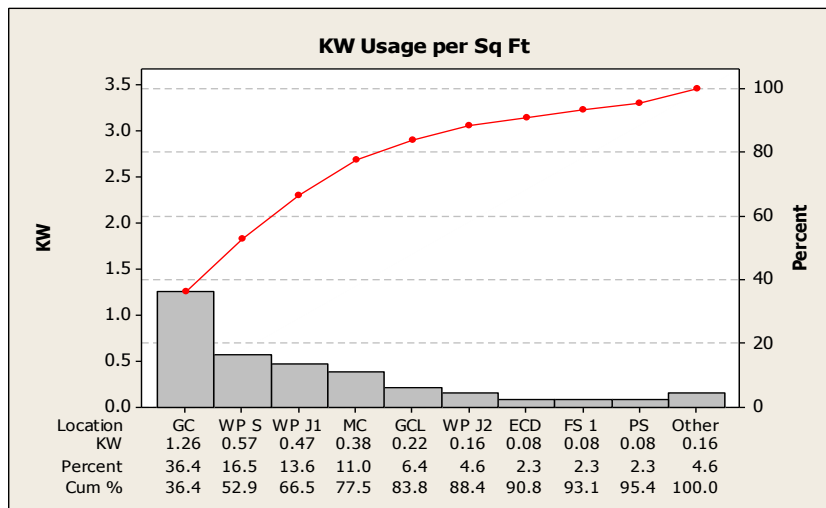
The environmental quality plan is designed to provide a comprehensive approach to protect the natural resources of our community. The goals and objectives identified in the plan reflect the ideal future we strive to achieve. These include the implementation of energy conservation practices, reduction of solid and hazardous waste and the protection of the water supply. Many of these goals are the result of proactive planning practices and others are mandated by federal and state law.

KEY INDICATORS

CO2 Emissions – In 2010 the City of Germantown completed the assessment of its carbon foot print with a 2008 baseline of 31,190.36 metric tons of carbon dioxide equivalents (MTCO₂e). The following measures are used to track and measure the various types and amounts of energy used by city government to chart our progress towards energy use and associated reduction of green house gas emissions.

The following chart shows each City facility by KW usage per square foot. The Center complex (Athletic Club, Great Hall & Conference Center, and GPAC) uses close to 37% of all electricity for the City. Future energy reduction programs will be directed to this area to ensure the greatest return on our investment. The goal is to reduce electrical consumption by 1% by June 30, 2012.

Figure 3



The following chart is provided to all City operating departments and shows quarterly goals for gasoline and diesel consumption with a target of 3% reduction. Reduction efforts and strategies are reviewed with the city administrator on a quarterly basis.

Figure 4

DEPARTMENT	FY11 TOTALS GALLONS	3% REDUCTION	FY12 TOTAL GALLON GOAL	1ST QUARTER GOAL	2nd QUARTER GOAL	3rd QUARTER GOAL	4th QUARTER GOAL
PS-GRDS	35139	1054	34085	8521	17042	25564	34085
GFD	17385	522	16863	4216	8432	12648	16863
FLEET	1215	36	1179	295	589	884	1179
GPD	73731	2212	71519	17880	35760	53639	71519
ADMIN	951	29	922	231	461	692	922
DEVELOPMENT	4715	141	4574	1143	2287	3430	4574
FINANCE	711	21	690	172	345	517	690
GPAC	419	13	406	102	203	305	406
PARKS	3168	95	3073	768	1536	2305	3073
FACILITY SERVICES	5008	150	4858	1214	2429	3643	4858
WATER	20789	624	20165	5041	10083	15124	20165
SEWER	5665	170	5495	1374	2748	4121	5495
STORMWATER	4047	121	3926	981	1963	2944	3926
ANIMAL CONTROL	571	17	554	138	277	415	554
	173514	5205	168309	42077	84154	126231	168309

Drinking Water Quarterly Index – This indicator characterizes the water quality and quantity provided to the residents of Germantown through the City water utility division. To ensure safe drinking water, all public water systems treat and routinely test their water to ensure compliance with all EPA standards. The City has conducted numerous tests for more than 80 contaminants that may be in our drinking water. The following chart indicates that eight of these contaminants were detected. All were found to be at safe levels.

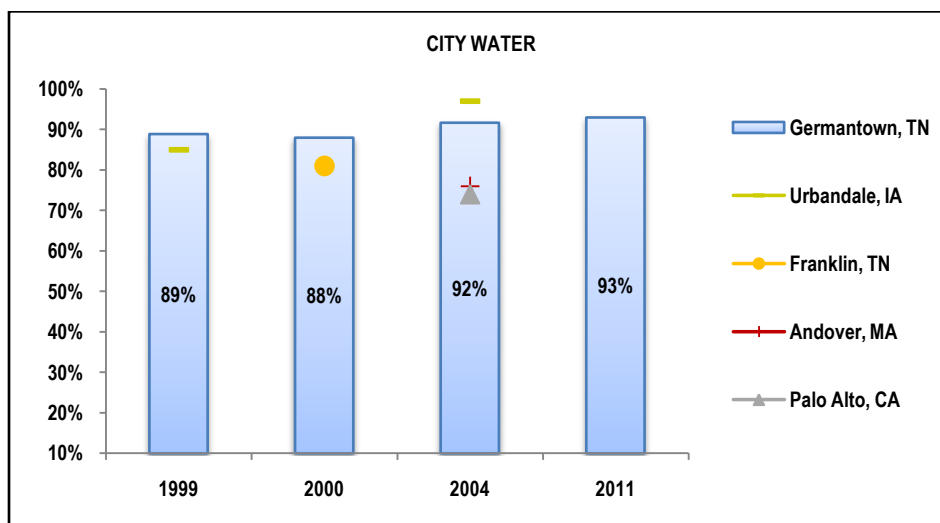
Figure 5

Contaminant	Violation Yes/No	Level Found	Range of Detections	Date of Sample	Unit Measurement	MCLG	MCL	Likely Source of Contamination
HAA5 Haloacetic Acids	N	0.61	N/A	2010	ppb	N/A	60	By-product of drinking water disinfection
Copper	N	90 th % = 0.787	0.02-1.7	2010	ppm	1.3 ppm	Action Level = 90% of homes tested must have copper levels less than 1.3 ppm	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Fluoride	N	1.27	0.00-2.00	2010	ppm	4	4	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
Nitrate	N	0.356	0.0-0.356	2010	ppm	10	10	Erosion of natural deposits; leaching from septic tanks; runoff from fertilizer use.
Lead**	N	90 th % = 0.012	0.0-0.018	2010	ppm	0	Action level = 90% of homes tested must have less than 0.015 ppm	Corrosion of household plumbing systems, erosion of natural deposits
Sodium	N	7.19	N/A	2010	ppm	N/A	N/A	Erosion of natural deposits; used in water treatment
TTHM [Total trihalomethanes]	N	1.2	0.0-6.87	2010	ppb	N/A	80	By-product of drinking water chlorination
Chlorine	N	2.2	0.2-2.2	2010	ppm	4	4	Water additive used to control microbes

An explanation of Tennessee's source water assessment program and the overall TDEC report to the EPA can be viewed online at www.state.tn.us/environmental/dws/dwassess.shtml.

In the most recent community-wide survey residents were asked to rate their overall satisfaction with certain City services and amenities. The following chart shows the comparative results when residents were asked to rate the taste, smell, pressure and overall quality. Germantown's overall satisfaction rating for this key indicator is 93%. Comparisons were made with comparable AAA bond rated communities like Germantown asking similar questions regarding their water system.

Figure 6



Refuse Reduction – This indicator displays the volume of residential waste and recycling material collected by the City under a contract with Republic Solid Waste Collection Services. The data sets represent our goal to reduce the amount of waste entering the landfill and related greenhouse gas emissions and increase recycling efforts. The following graphs shows the pounds per household for FY12 and compares against FY11 and the FY12 goal of 173 lbs. per household per month and the City's recycling goal of 35 pounds of recycling material collected monthly per household. Collection is slightly higher due to a new contractor adjusting to the new contract and the availability of recycling containers.

Figure 7

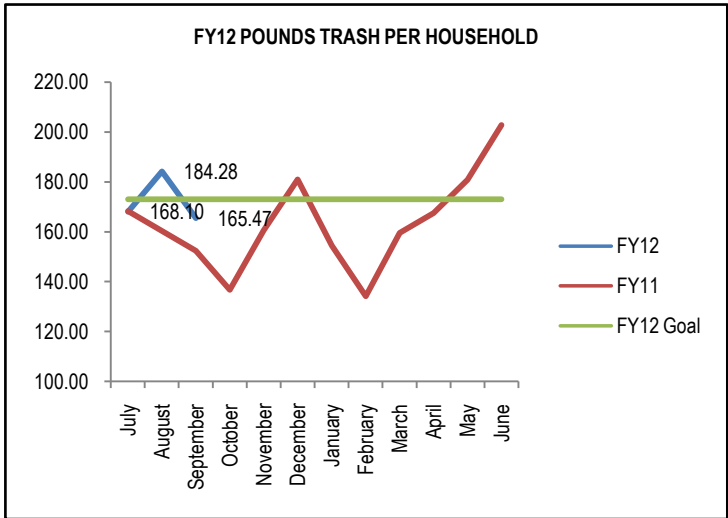
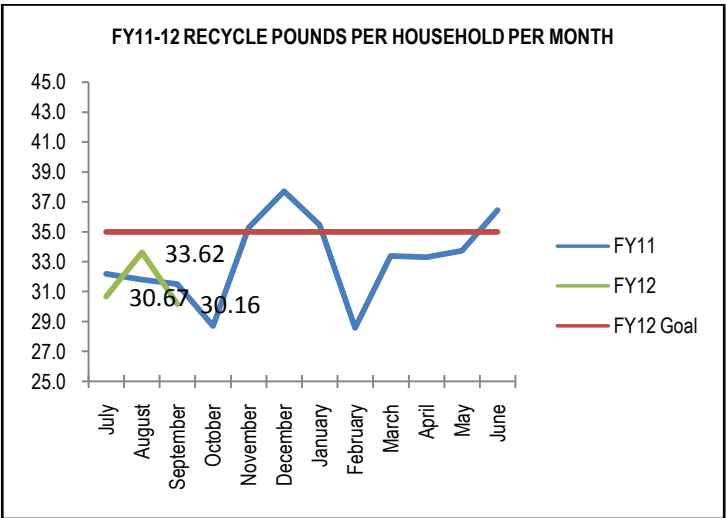
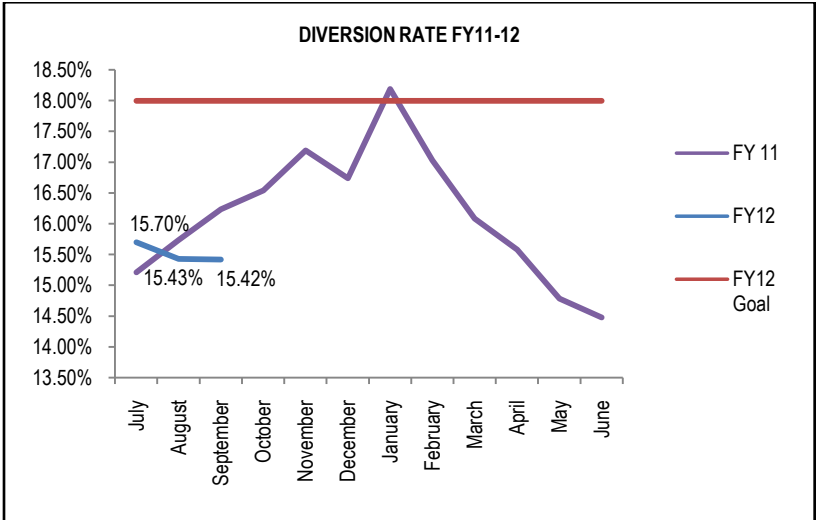


Figure 8



The following graph reflects our first quarter landfill diversion goal achievement for FY12 compared to the target of 18% and last fiscal year. The target goals were based on the unknown impact of the single stream recycling program and the launch of the incentive program. The single stream launch was implemented in September and will be tested and evaluated in the third quarter.

Figure 9



Wolf River Quality Index – This indicator displays the City’s water monitoring for the laterals of the confluence of the Wolf River within City of Germantown corporate limits. The monitoring established a baseline of water quality, data that provides environmental conditions and to ensure that the pest management program is functioning properly. During this quarter sample baseline data was collected for six locations on the Wolf River. These samples are analyzed by the State Department of Environment and Conservation (TDEC) and assigned a compliance rating. The City achieved a good or blue rating from the State when testing for the various non point sources of pollution as indicated on the following chart. The target goal for FY12 is to achieve this rating 70% of the time.

Figure 10

Table 1.2 Variables, Container Type, Preservation, and Holding Times for Water Samples (Analytical methods are from the latest edition of Standard methods or EPA Methods.)					Color - Code Target
Variable	Container Type	Preservation	Holding Time	Target Detection Limit (mg/L)	
pH	not applicable	not applicable	not applicable	0.01 units	Blue
Water temperature	not applicable	not applicable	not applicable	0.1 °C	Blue
Dissolved Oxygen	not applicable	not applicable	not applicable	0.01	Blue
Specific Conductance	not applicable	not applicable	not applicable	0.5 units	Blue
Total - N	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	28 d	0.02	Blue
Nitrate-Nitrite-N	P,G	Cool, 4° C, H ₂ SO ₄ to pH <2	48 h	0.01	Blue
Ammonia-N	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	28 d	0.01	Blue
Total Phosphorus	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	28 d	0.01	Blue
Orthophosphate Phosphorus	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	28 d	0.01	Blue
Turbidity	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	48 h	0.1	Blue
Lead	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	6 months	0.1	Blue
Copper	P, G	Cool, 4° C, H ₂ SO ₄ to pH <2	6 months	0.1	Blue
Note that container types are 'G' for glass and 'P' for plastic					

Natural Resource Mitigation Plan – During the first quarter an outline for the plan was developed by staff with the following primary sections.

- Environmental planning
- Water quality management
- Wildlife and habitat enhancement
- Plant management and landscape practices
- Urban forestry management
- Best practices for development and construction on public lands

This planning document will be completed during the fourth quarter and presented to the Board of Mayor and Aldermen for adoption.

SOCIAL SUSTAINABILITY

Germantown's promise of a healthy and livable community for future generations is supported by systems, processes and community values that preserve our beautiful setting, enrich leisure and cultural activities, protect neighborhoods from deterioration and assure a safe environment. The City's parks, open spaces and natural areas provide a relaxed and beautiful environment for residents to live, work, and play. Germantown Community Library, Germantown Athletic club and the Germantown Performing Arts Centre assure a rich variety of leisure and cultural activities. The City's unique character and vitality is maintained through neighborhood preservation, strong property maintenance codes, carefully-planned development and meticulous attention to public infrastructure. Thanks to excellent emergency response times from police and fire departments, Germantown residents also enjoy the security of an exceptionally low crime rate and very favorable insurance premiums. Common values, a wide variety of natural assets and residents who contribute time and resources to community betterment assure that Germantown will remain a vital, energetic and safe place to live and work for generations to come.

KEY INDICATORS

Citizen Satisfaction – Historically the City of Germantown has conducted a community-wide survey to measure satisfaction with the City delivery of a wide range of services, amenities, and programs as well as providing direction for building a sustainable Germantown. The cumulative results of our residents overall satisfaction can be found under six of the nine major indices developed in the survey and depicted below.

Figure 11

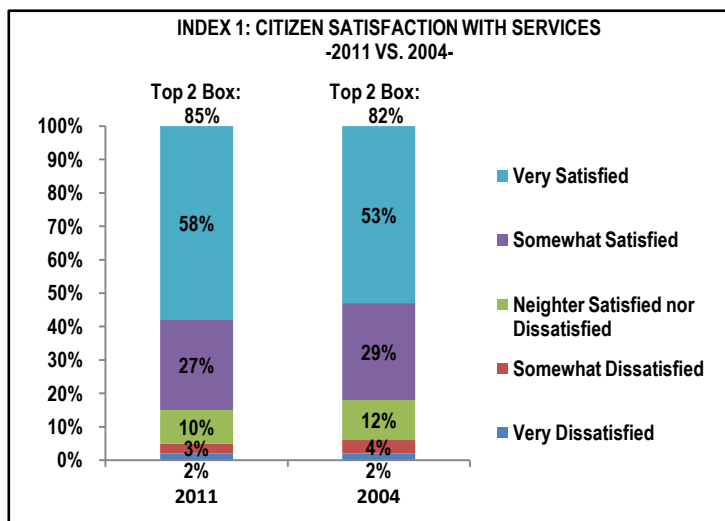


Figure 12

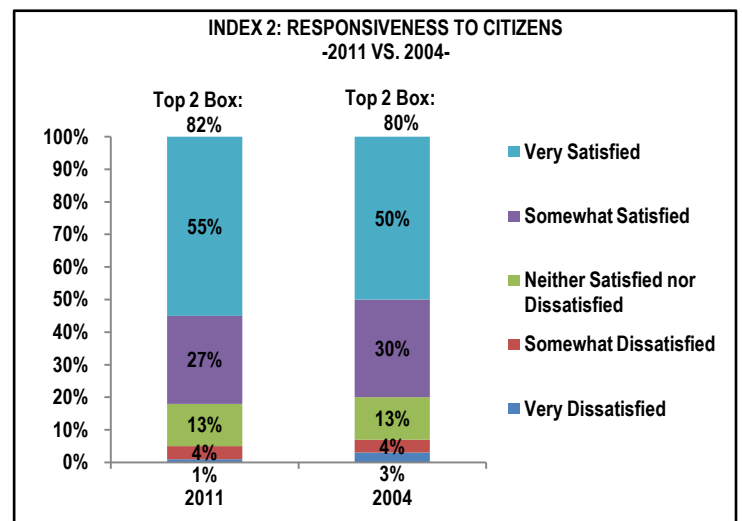


Figure 13

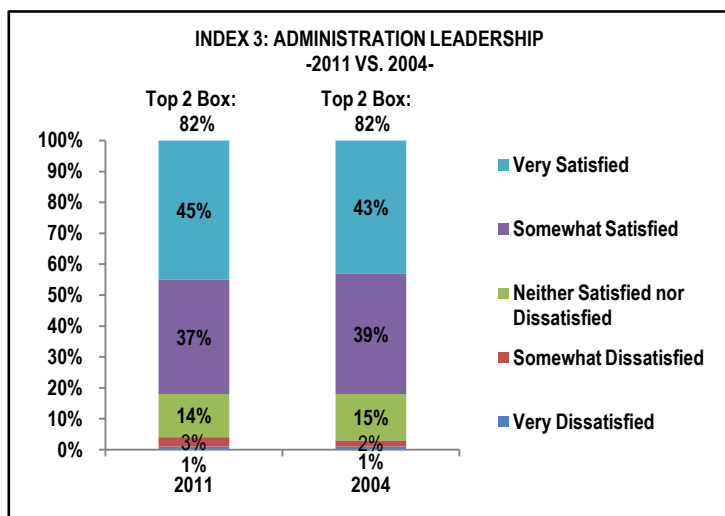


Figure 14

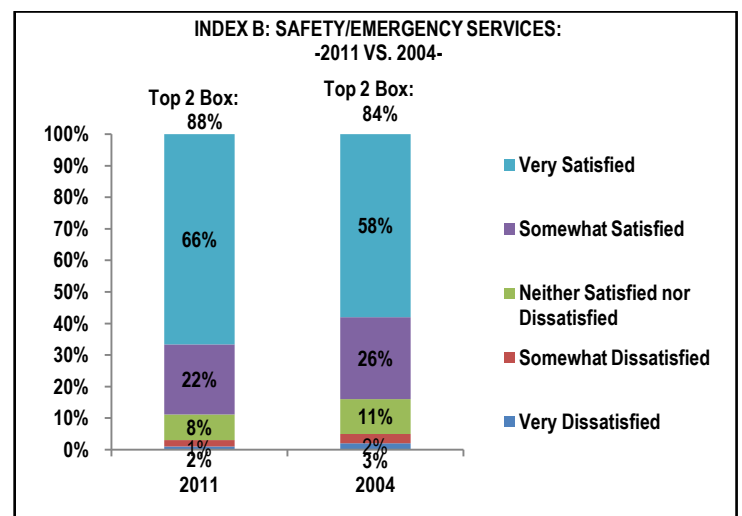


Figure 15

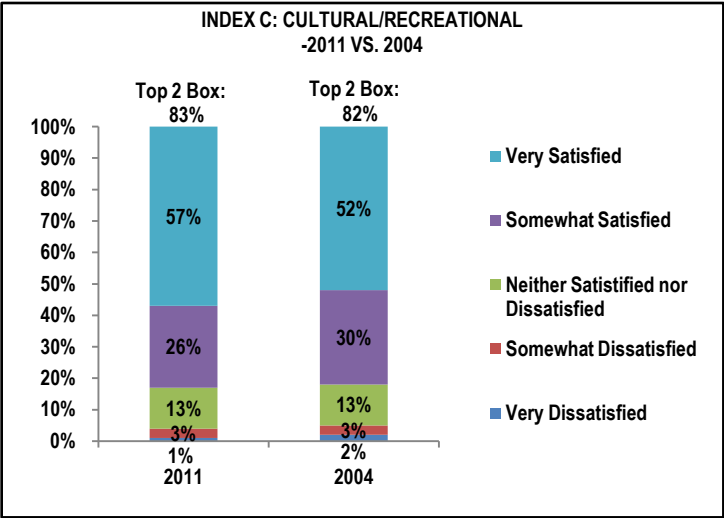
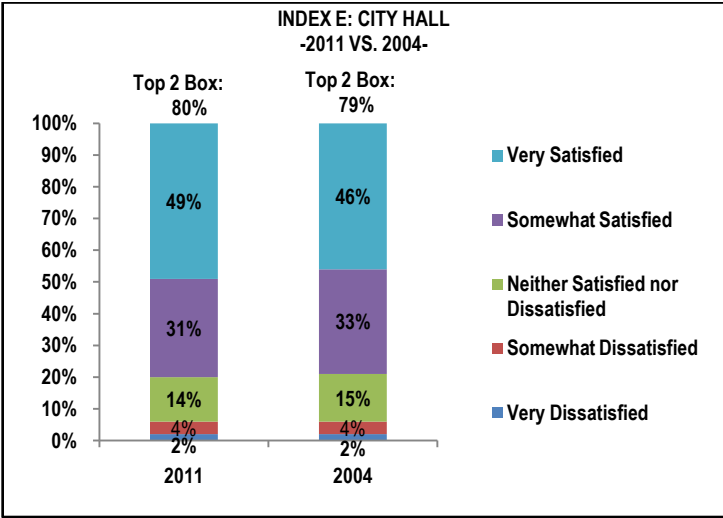
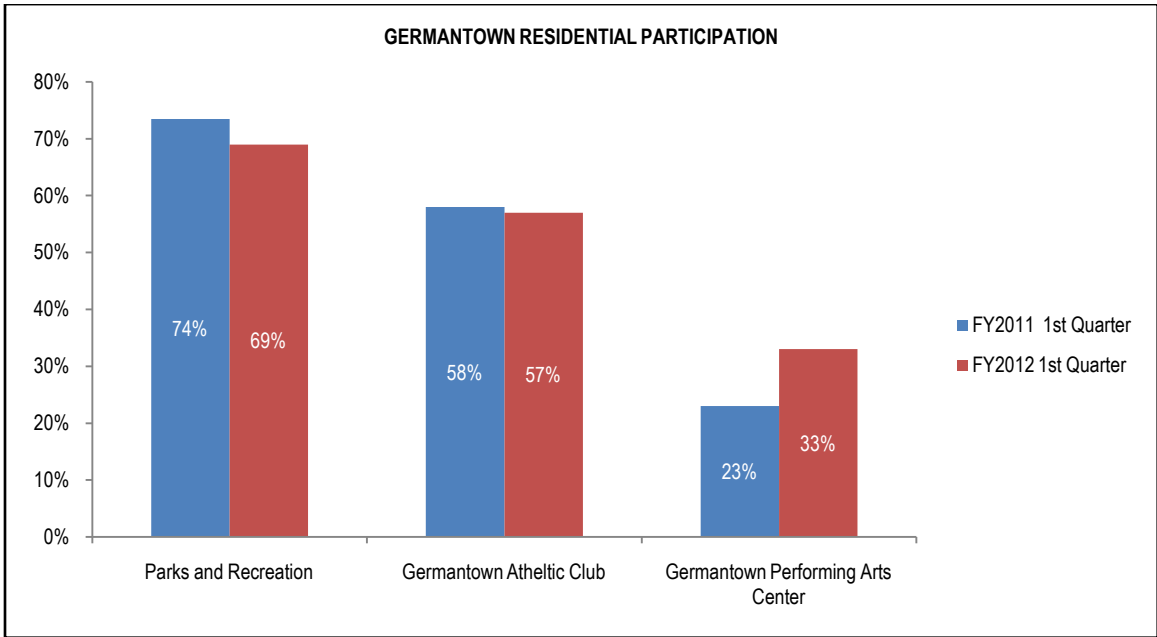


Figure 16



Residential Participation – Having our residents involved in community sponsored events, programs and venues builds a strong sense of community. Continuously strengthening community events and programs and getting new residents involved in community builds a socially sustainable Germantown. The following represents the first quarter efforts of three major areas for resident participation: Parks and Recreation activities, the Germantown Athletic Club and the Germantown Performing Arts Centre (GPAC).

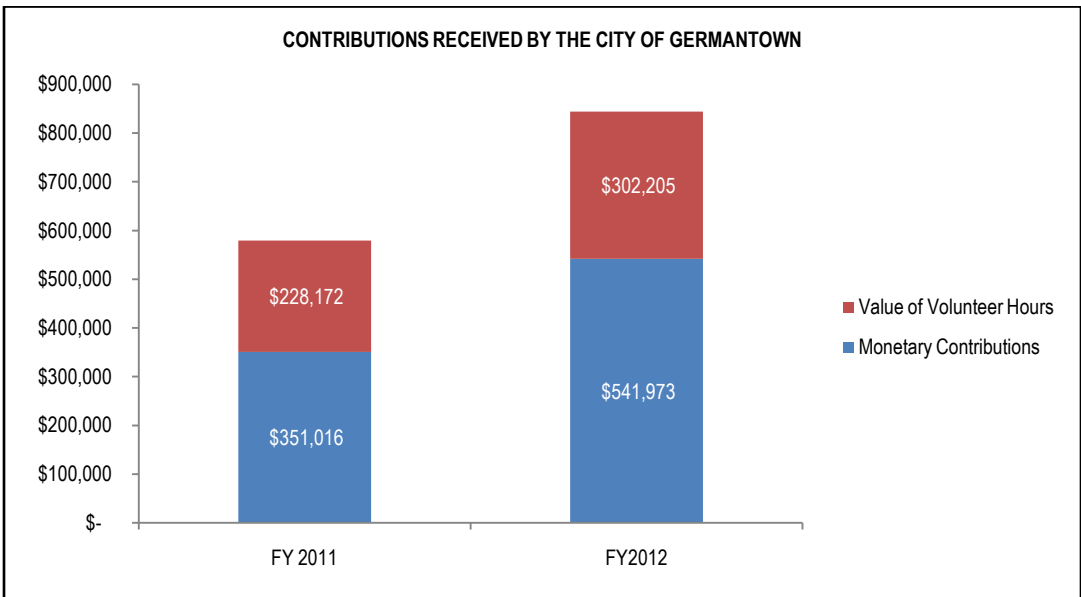
Figure 17



The Germantown Athletic Club recently underwent an internal audit. This resulted in an overall decrease of members, both resident and non-resident. However, the total number of Germantown resident participation has increased by 2,000 members at the athletic club.

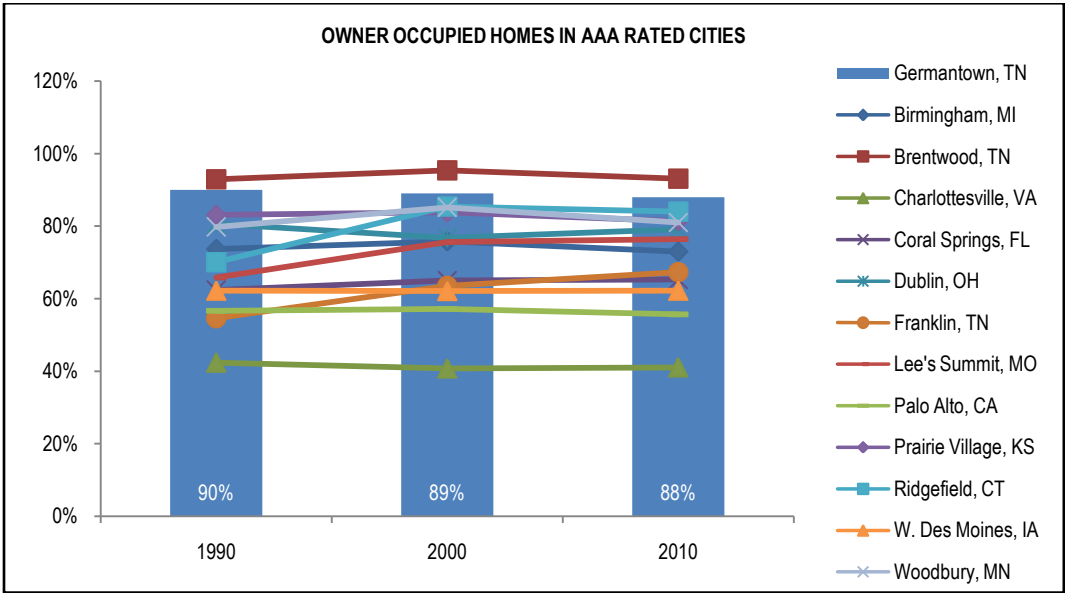
Community Investment – This indicator displays the “can do” spirit in our community by bringing people together to make great things happen in our community. People take ownership in the community by contributing time and resources to the betterment of the community. The following chart shows the monetary contributions received from grants and individual donations to support specific community programs and activities during this first quarter. Also depicted is the amount of volunteer hours provided for community events. Given a national standard of \$23.00 an hour those volunteer hours translate to over \$300,000 in contributed service hours to the City of Germantown.

Figure 18



Home Ownership – This indicator tracks the percentage of housing units that are owner occupied according to the most recent census. Home ownership is a strong reflection of the City’s overall vitality and stability. The City of Germantown recognizes that people make personal choices on where they want to live, work and play including the provision of City services, safety and security, neighborhoods, schools and tax rate. The City is committed to ensure those factors are addressed to build a sustainable future.

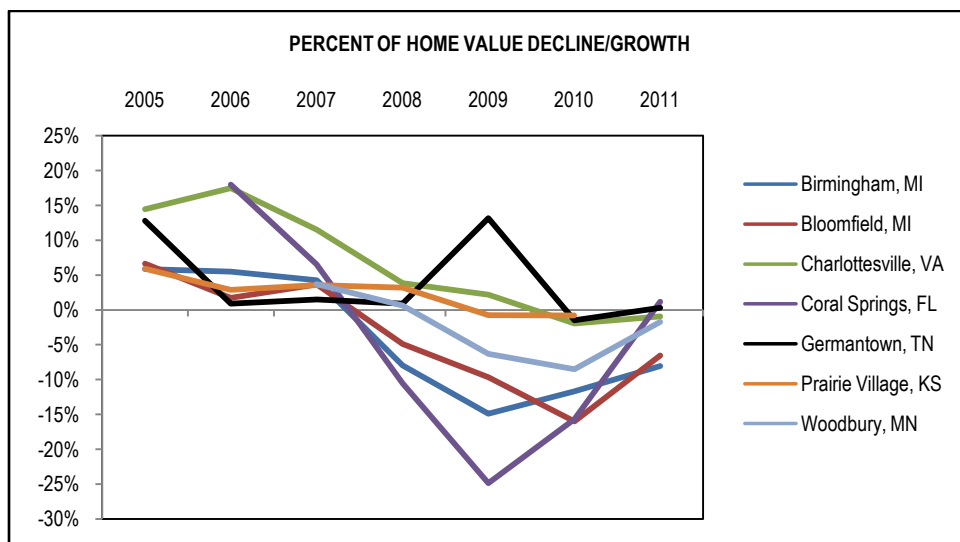
Figure 19



The following charts demonstrate that despite the housing market collapse of 2007 and 2008, the appraised value of residential parcels in the City of Germantown has increased 32.6% in the past ten years.

Year	Residential Appraisal Value (\$)
2001	245,000
2002	248,000
2003	250,000
2004	252,000
2005	285,000
2006	290,000
2007	295,000
2008	298,000
2009	330,000
2010	325,000
2011	325,000

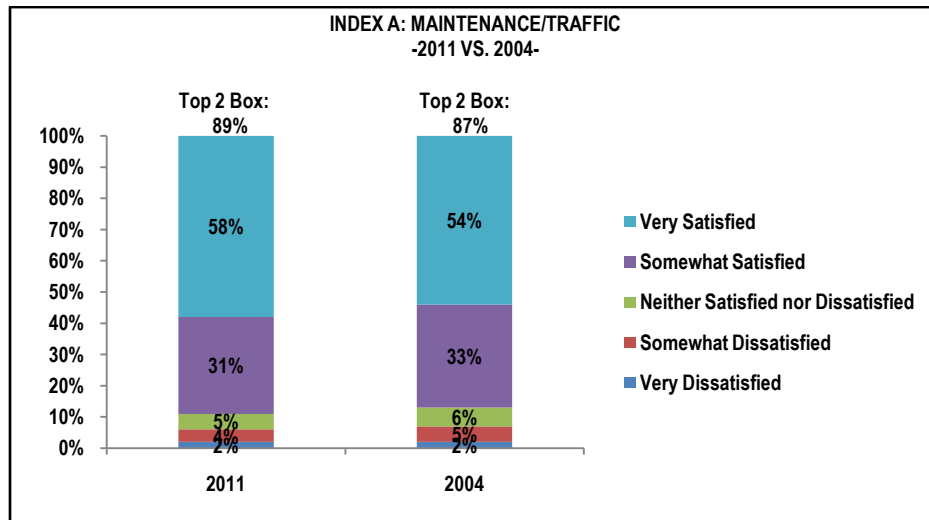
Figure 21



Infrastructure Condition – The City’s public services division conducts an annual street condition survey with the goal of having 80% of our city streets in good or excellent condition. Similar condition rating systems are in place for the city water plant and network of pipes and the 22 sewer lift stations. Funding is allocated in the infrastructure replacement program, a component of the annual budget, to address necessary repairs and maintenance.

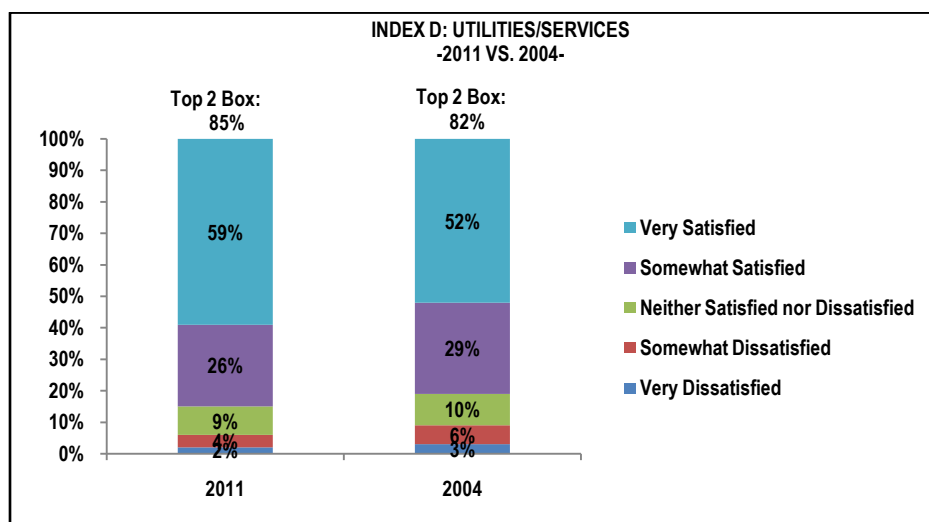
The following chart from the 2011 community-wide survey represents the residents’ overall satisfaction level of the condition of our streets and the ease of travel through the city.

Figure 22



The chart below reflects the overall satisfaction rating of our utility system including response to water and sewer service requests, solid waste and collection services and accurate and consistent utility billing services.

Figure 23



Business Vitality – A strong vibrant business economy is important for the long term sustainability of our community. For the purpose of this key indicator we have chose traditional measures to gauge our position in the market place.

Figure 24

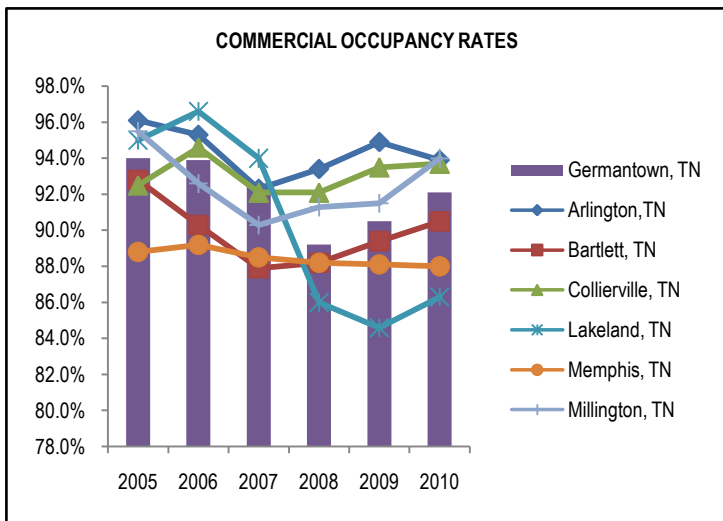


Figure 25

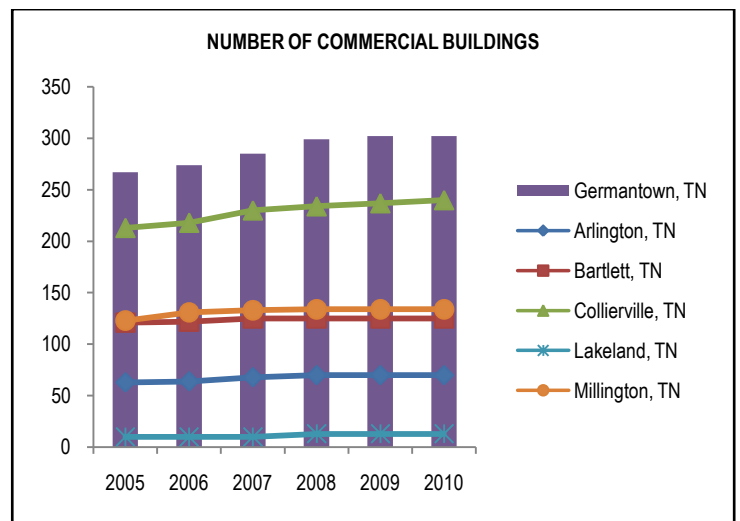


Figure 26

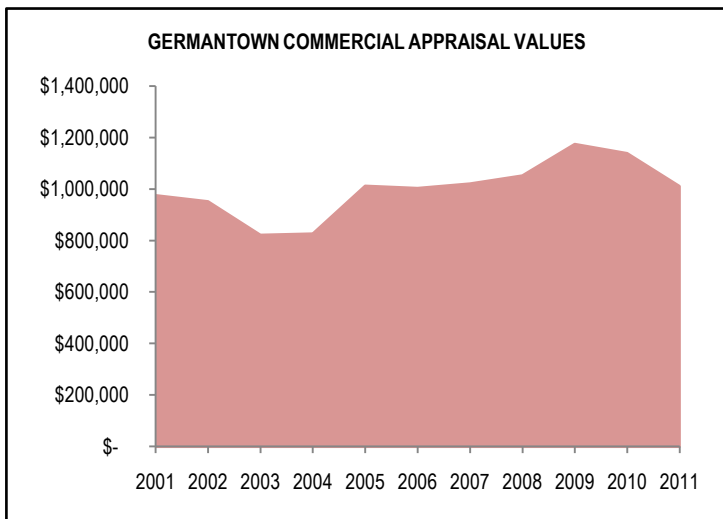
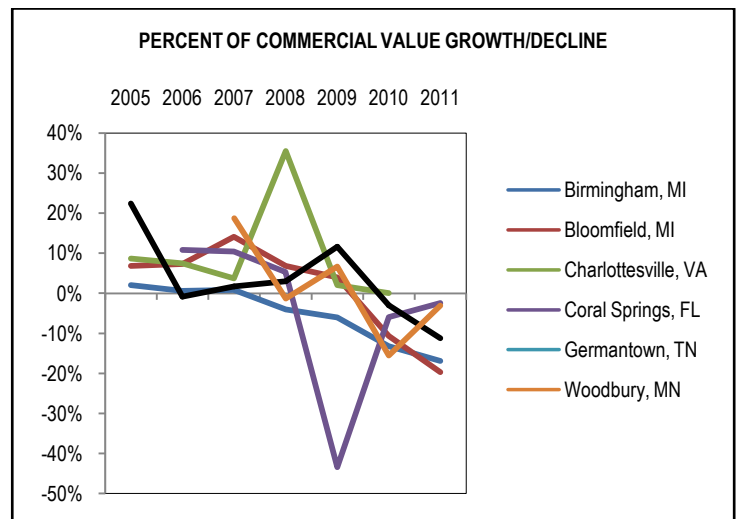


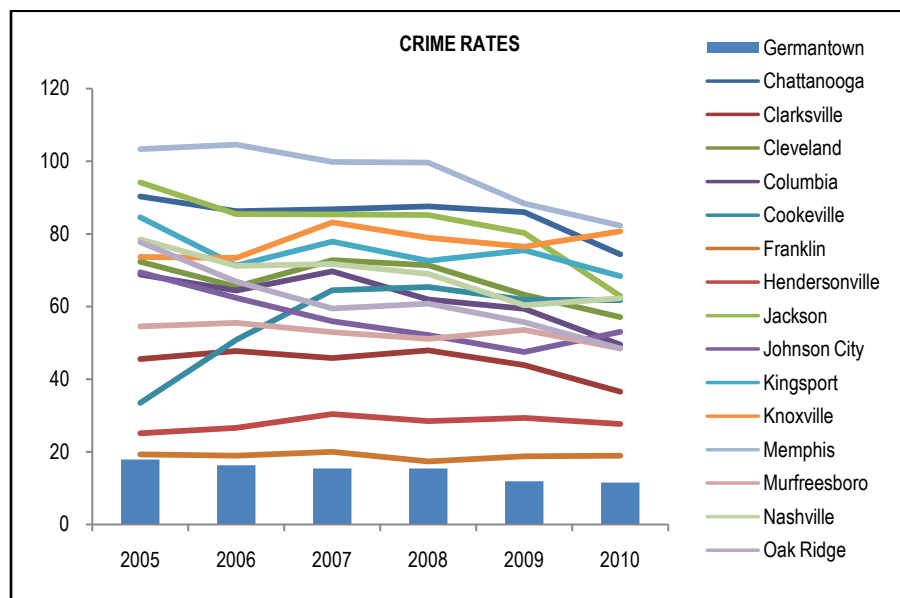
Figure 27



Low Crime Rate – Germantown residents enjoy a low crime rate because of the efforts of the Germantown police department and involved and engaged residents. The department has an excellent response time averaging 3.83 minutes in the first quarter against the target of 4 minutes or less. The workforce is at 100% capacity. While there are many factors that contribute to an overall sense of personal safety and security, crime and citizen perceptions are key components.

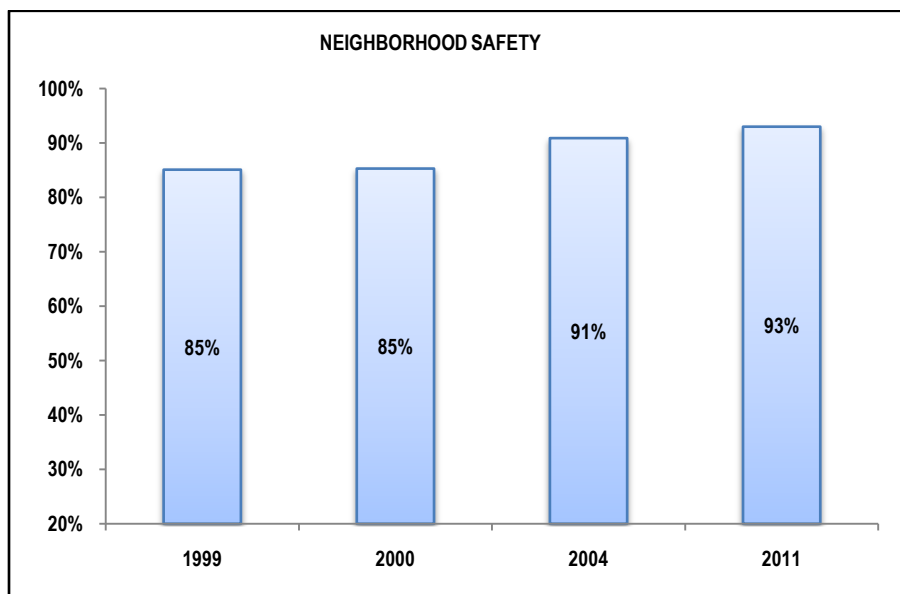
The Tennessee Bureau of Investigation (TBI) compiles crime data on every community that has law enforcement using its incident based reporting system, TIBRS. Germantown has considered itself one of the safest communities in the state. In order to prove this claim, statistics were gathered on communities that surround the four largest cities in the state. All crime comparisons are derived from the Part A crimes from the TIBRS system. Due to the significant differences between the metro cities and surrounding communities' crime statistics, only crime rates of major cities are shown in this report.

Figure 28



In the most recent community-wide survey Germantown residents were asked a series of questions regarding their overall satisfaction level with the police department. In one particular question regarding neighborhood safety residents were to rate the safety level walking alone in their neighborhood day or night.

Figure 29



Fire Service Index – Like the police department, the Germantown fire department has excellent emergency response times, on the scene in 6 ½ minutes or less during the first quarter against a target of 90%. The fire department takes an all hazard approach tailored to the community risk focusing on sustaining Germantown as a safe community. Germantown is part of the National Fires Incident Reporting system (NFIRS), which keeps track of fire incidents throughout the United States. The fire index is based on these reporting standards and represented graphically below.

Figure 30

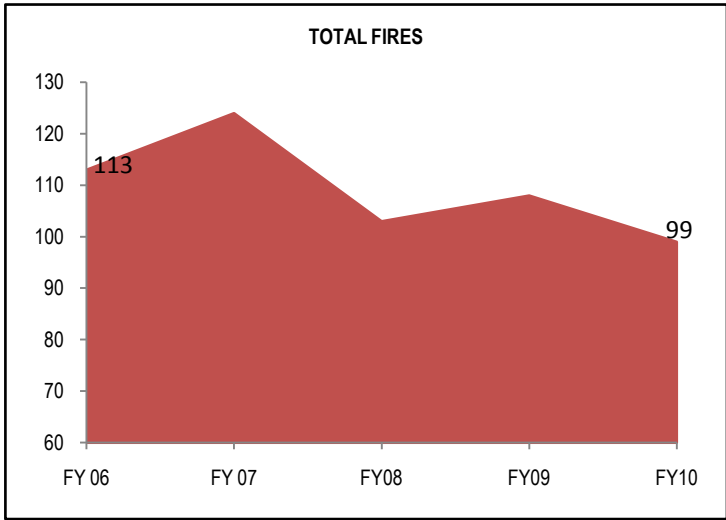


Figure 31

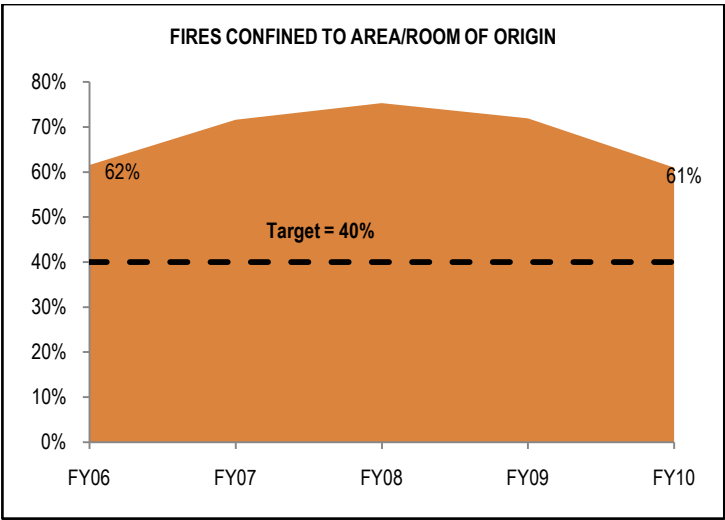
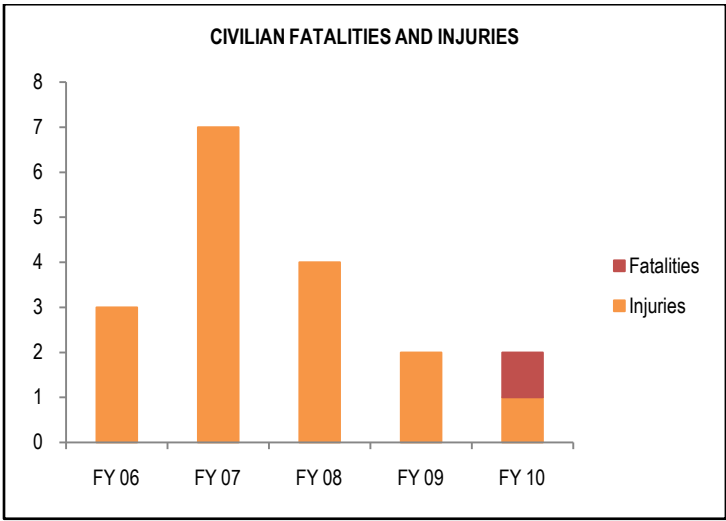


Figure 32



In an effort to continuously improve fire and emergency medical services in Germantown, a survey is sent to every household that utilizes Germantown fire department's services. Customer responses remain anonymous unless they choose to disclose their contact information for additional departmental follow up. The data displayed below represents 256 responses from customers over a ten month period between September 2010 and July 2011, although data is continuously updated.

Figure 33

